

**The Michigan Academy of Physician Assistants
120 West Saginaw Street
East Lansing MI 48823**

March 3, 2009

PRO: Senate Bills 26, 27, 28.

TO BE CLEAR:

1. This legislation restores the process of allowing Physician Assistants (PA) and physicians to be business partners. This previously occurred for a decade in this state without problem.
2. This legislation does not diminish or change the physician's supervision of the medical practice in any way, thus the physician maintains 100% control of the medical practice as required by law.
3. Increases the State's oversight of existing and future PCs with PA ownership.
4. Requires a physician to be a business partner of a new PC, or PLLC that the PA is involved in going forward.
5. It increases access to safe, high quality health care.
6. Will fix the problem of PA / physician owned PCs existing outside the current interpretation of the law.
7. It creates jobs for our citizens, and helps address the growing health care shortages in our state.

There are over 3,000 PAs in Michigan, providing care in all areas of medicine, and surgery. Last year PAs in Michigan provided over 4 Million Primary care visits, and over 1 million Emergency room visits. 100% of them were supervised by a licensed physician. In the natural course of our profession, PAs seek to have physicians as partners in business relationships, since this partnership is already the cornerstone of our medical practices.

In 1994 PAs in Michigan sought out, and received an interpretation of the law that we could indeed form a Professional Corporation (PC) with physicians and PAs as shareholders. After a decade of approving applications for these business entities, the State began denying these applications on the grounds that it was felt that PAs and Physicians do not provide the "same professional service" as required by Michigan law. Michigan is one of only 4 states to deny applications for these partnerships. While nobody knows for sure, it is estimated that there are dozens of PA and PA / Physician owned practices in existence in Michigan that provide over 200,000 patient visits per year. Now, through no fault of their own, these businesses exist outside the current interpretation of the law which poses a significant legal and professional liability to them. Many of these PCs exist where access to care is otherwise lacking. In some cases, the rejection of these businesses has decreased access to care where it is desperately needed.

Examples:

1). After being downsized by the hospital they worked for, Dr. Mike Schaub, and PA Jake Sauve agreed they would form a PC, keep the family practice open, and continue to employ the current staff in rural Muskegon county. The state denied their application.

"Our desire was to do this as partners. Despite our best efforts, the law says we couldn't / can't. Michigan is in a recession and we wanted to start a business -- employ people, continue to care for patients -- yet we are told that the way we want to structure the P.C. (and it has to be a P.C. we are told) -- we can't do. Jake or I can own the P.C., but not both of us as partners. Talk about stupid and unfriendly to business!!! So, we are waiting w/ much anticipation, the legislative proceedings to fix this."

Mike Schaub, M.D., FAAFP, LTC (Ret) U.S. Army
Jake Sauve, PA-C

2). Sandra Keavey, Dr. Arora and Dr. Walls want to form a PC to provide Cardiology services and research to the Alpena area.

"We live in one of the three poorest counties in Michigan. the closest cardiology group to us is two hours or 100 miles away. To bring this level of care to this part of our state requires a commitment to patient care. If these

rules do not change I will not continue to provide this care. I will encourage my supervising physician to relocate our company to another state"

Sandra Keavey, PA-C

3). Charles Green, PA-C, of Dermatology associates wants to provide Dermatology services to rural northern Michigan in conjunction with Dermatologists. If this legislation passes he and two physicians plan to open a new practice, renovate an existing empty building, hire new staff, and increase access to Dermatology care where there is currently no full time Dermatologist in town.

4). Perry Colson, PA-C majority owner in a family practice in a shortage area on the edge of Detroit. He and Dr. John Verbovsky, D.O he owns the practice with sees over 8,000 patients per year.

It is well known that our aging population will create a demand for health care that far out paces the physician workforce. Most of Michigan's counties are currently experiencing some type of health care shortage, and the trend is expected to worsen sharply in the near future. In just 7 years, the first of the baby boomer generation will be reaching 70 years of age, and the demands on the health care system will be increasing exponentially.

Partnerships between physicians and PAs can help address this problem significantly. One primary care office, or Urgent care center can easily care for over 600 patients per month. I know there are non-physician groups that have, and will continue to present legislation to increase their autonomy, and to distance themselves from physicians. This legislation is not one of them. PAs by design function to extend the physician's practice, not compete with it. The current law already allows PAs to partner among ourselves, we only seek to add physicians as business partners. This is the time to be proactive in addressing the impending health care crisis here in Michigan, and the country. These bills would remove an unnecessary road block, and improve access to safe, high quality, health care for our citizens. Each year we delay will only make the problem worse, and harder to solve.



Philip Schafer, PA-C

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